

Broadband Innovation Grant Program Application Guidance Document

Activity supported under this grant

The Department, through this grant opportunity, intends to review proposals from entities seeking to determine the viability of different innovative strategies for enabling broadband deployment in rural unserved and underserved areas of Vermont. Feasibility studies with positive findings will be followed up by a business plan that outlines how the grantee's chosen proposal can be accomplished. Grants will be structured to provide 50% of the requested amount upon submission of a credible feasibility study, regardless of the finding. Reimbursement is subject to Applicant's evidence of actual costs and itemized invoices provided to the Department. If, after submission of a finding that a proposed project is feasible, Applicant shall seek permission to proceed to the second phase of the project: the production of an actionable business plan. For the purposes of this grant, a project will be considered feasible if the report's findings show that the project will be cash-flow positive within three years of the receipt of required initial investment, considering projected income and project-related capital and operating expenses.

Feasibility Study

Proposals should include a feasibility study designed to collect vital information including, but not limited to:

- Survey-informed estimated "take rates" for new service (i.e., the percentage of potential subscribers who are offered service that choose to subscribe)
- Inventory of vertical assets (Where are useable poles? What is already attached?)
- Analysis of alternative deployment routes
- The presence or lack of commercial areas such as town centers, retail locations, manufacturing facilities, clinics, and whether they are currently adequately served
- Bandwidth needs
- A proposed project service area
- A basic technical design with sufficient detail to enable rough cost projections
- Pro forma financial projections for the project for at least three years
- Current and previous three years' financials of the proposed operating entity
- An opinion from a reputable unrelated third party (such as a lending institution) concurring with a finding of feasibility
- An enumeration of project risks

Business Plan

Upon completion of the feasibility study, Phase II requires the grantee to produce an actionable business plan for a potential broadband solution (with speeds at a minimum of 25/3 Mbps),

which may include formation of or partnership with a cooperative, communications union district, rural economic development infrastructure district, municipal communications plant, or utility. For the purposes of this grant, an actionable business plan is a document for which a financial institution would find sufficient basis to provide financial support. The business plan shall include, but is not limited to:

- High level engineering and design plans
- Market analysis
- Financing models and pro forma financial projections
- Estimated construction costs
- Ideal operational models
- Risk management plan accounting for all risks identified in feasibility study

Project Description

The project description must include the following information:

- The locations that the Applicant intends to study.
- A summary of the broadband connectivity status in each intended location. (Information about broadband availability by location and speed is available on the Department's website.)
- Identification of each type of technology to be evaluated for deployment.
- A preliminary analysis of barriers and limitations that have contributed to the current connectivity gaps in the study area.
- A list of all retail prices and service tiers for available broadband in the study area, including any small-business, enterprise, or industry-scale offerings. (This need not include data-capped services such as satellite broadband.)
- Identification of potential partner entities that will be evaluated as alternatives. (Studies are not limited to evaluating partners included in the proposal.)
- Potential funding sources. (Studies are not limited to evaluating funding sources included in the proposal.)
- Any information the Applicant deems relevant to demonstrate its technical capacity to complete a feasibility study and business plan.